

New Hampshire Lottery Commission
14 Integra Drive, Concord NH
Minutes of Commission Meeting
February 6, 2024 – 10:00 a.m.

Commissioners:

Debra Douglas, Chairman
Andy Crews, Commissioner
Erle Pierce, Commissioner

Lottery Staff in Attendance:

Charles McIntyre	Lynda Plante	Valerie King
James Duris	Maura McCann	Kelly Crockett
John Conforti	KJ Cleland	Len Mannino
Danny Maloney	Jessie Backoff	

Others in Attendance:

Seth LaPointe, Sci Games Ryan Sahr, Intralot Jeff Newman, GYK

Chairman Douglas called the meeting to order at 10:00 a.m.

1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES

- Chairman Douglas **Accepted the Minutes of January 10, 2024**, meeting. Commissioner Crews moved to accept and was seconded by Commissioner Pierce. All are in favor, motion passed 3-0.

2. SPORTS BETTING

- **Director of Sports Betting, Danny Maloney**, presented February's meeting presentation containing December 2023 results as well as a 4-year lookback.
 - **December '23 Mobile and retail Results:**
 - \$78,750,682 in Handle
 - \$7,652,564 in GGR
 - Hold of 9.72%
 - \$3,377,024 in revenue to the State
 - Year over Year (YoY)
 - Increase in mobile bets of 22.48%
 - Decrease in retail bets of -33.37%
 - Increase in active users of 31.84%
 - **FY24 to date:**
 - \$377,624,778 in Handle
 - \$37,697,879 in GGR
 - Hold of 9.98%
 - \$16,470,542 in revenue to the State
 - **Review of MA effect (March '23 thru December '23):**
 - We observed natural growth YoY from inception until the launch of Massachusetts. This is where we observed a significant drop in retail handle but significant growth in mobile players and bets. We also observed an increased hold percentage seen industry wide.
 - GGR in January and February 2023 far outperformed the same period in 2022. This is partially responsible for the overall yearly growth. As noted, these months were before the launch of mobile sports wagering in Massachusetts and some regression on CY24 is expected.

- For FY24 thru December, State revenue is down about 7.3% compared to the same period in FY23.
- Combined with some expected regression in January/February '24, we anticipate FY24 State revenue to end up around 10-20% lower than FY23.

3. FINANCIAL REPORTS

- **Chief Financial Officer, James Duris**, presented December 2023 financial summary.
 - Lottery sales for the month of December increased compared to the same period of the prior year. Powerball increased \$2.8 million, while we enjoyed another good jackpot run. iLottery and Fast Play both increased by \$1.6 million and \$1.3 million respectively. Instant ticket sales decreased by \$0.7 million while Megabucks perform well with a \$0.9 million increase. YTD instant ticket revenues have increased compared to the prior year by \$1.9 million. YTD Powerball sales topped \$35.9 million, increase of \$6.1 million. iLottery has had a YTD increase of \$4.8 million. Megabucks sales have increased over \$2.6 million over the prior year.
 - Mobile sports betting revenues of \$3.2 million was a slight decrease of \$247K compared to the prior year. The handle was \$67.0 million for the month, an increase of \$1.1 million compared to the prior year. Retail sports betting revenue of \$437K increased slightly compared to the prior year. Retail sports betting handle was \$11.7 million for the month, a decrease compared to the prior year of \$13.3 million. Mobile YTD revenues have decreased \$2.7 million and retail YTD revenues have increased \$217K compared to the prior year.
 - Racing and gaming revenues decreased by \$59K compared to the prior year. YTD revenues have increased by \$618K. Historic Horse Racing revenues came in at \$1.7 million, an increase of \$1.3 million. HHR revenues have increased by \$6.2 million for the year.
 - Operating transfers for December were \$19.1 million. This was above projections by \$4.5 million. YTD transfers to ETF stand at \$101.4 million, beating projections by \$19.7 million. We recently increased our Bureau of Account (BOA) projections from \$160 million to \$175 million.
 - The detail of accounts receivable is as follows:
 - Operating AR \$4,575,166
 - Tri-State Lotto \$372,598
 - MUSL \$394,772
 - Other AR \$5,076,751
 - Indirect costs or shared State expense is high for the month and was under-estimated for the year. The charitable game study group is now represented in Other Income/Expense with a \$5K purchase. All other expenses are in line with expectations.

Commissioner Crews proposed a motion to approve the December Financials, seconded by Commissioner Pierce. Motion passed 3-0. Financial report is approved. All are in favor.

4. SALES PRODUCT AND PROGRAM UPDATE

- **Chief Product and Programming Officer, KJ Cleland**, provided a report for the month of January.
 - Ms. Cleland reported on iLottery and informed them that although they missed all the topline KPI's (Key Performance Indicators), in the month of January, and FTD's for a few months, we are still up YTD. This is due to no jackpots since the month of October. This is giving the team a great opportunity to do testing and refining tactics.
 - Ms. Cleland was excited to report on the Best Week call outs to the committee. We have three best Week Evers, two of them were in the same week. Week ending on December 23, 2023, Fast Play sales was \$956,431 which was 9.57% over the previous record from week ending 1/1/2022. The second-Best Week Ever is week ending December 30, 2023, Scratch ticket sales was at \$8,239,502 which was 1.28% over previous record from week ending 12/31/2022. The third-Best Week Ever is e-Instants NGR was \$1,096,822, and this was 10.62% over the previous record from week ending 12/23/23. Ms. Cleland passed out the new Omni Channel tickets to the Commissioners and explained the features of the tickets and how each worked. Ms. Cleland was extremely excited to speak about the new single use promo code on the ticket as well.

- Fast Play's new games are currently being worked on. Ms. Cleland reported the \$20 Fast Play takes the lion's share of sales. Bigger the ticket, there are more players, and the odds are higher as well.
- Ms. Cleland reported that last week she and Director McIntyre were at G&C to seek approval for the IWG Contract extension. G&C approved the proposed contract extension. Also, Ms. Cleland needed a motion of approval for the 15-month Intralot contract extension.

Chairman Douglas asked for a motion from the committee to approve the negotiations for iLottery system proposal and to present this to G&C for approval. Commissioner Pierce moved for these proposals and seconded by Commissioner Crews. All are in favor.

Commissioner Crews proposed a motion to approve the 15-month extension with Intralot and was seconded by Commissioner Pierce. All are in favor.

5. MARKETING REPORT

- **Director of Marketing, Maura McCann**, provided a report for the month of January.
 - Ms. McCann reports that January saw 2,100 new players sign up, which is wonderful because the target was 1,400. To come in at 2,100 new players in a non-high Jackpot month is amazing. Ms. McCann feels this was driven by the acquisition offer 2024, where a player receives \$20 iLottery dollars and 24 e-instant games. The new offer is in play for February, March, and we are targeting draw game players. Ms. McCann is excited to see how this offer plays out. Ms. Cleland and Ms. McCann are excited about the cross over ticket to get players to start the journey to iLottery. The collaboration between GYK, NPi and the Lottery has contributed to the success of New Hampshire having the highest lifetime registrations or Net Gaming Revenue (NGR) per capita.
 - We are now on Sports Betting's 4th year anniversary, and Ms. McCann highlighted the \$100 million that went to education in those four years. This is the top press release going out. They are working with Montagne Powers, and Danny Maloney on Super Bowl release which is huge for us.
 - Our 60th Anniversary is on the horizon which was a huge effort on copy and graphics not only for the app, but also the creative support. Ms. McCann feels we are doing well.

6. OPERATIONS UPDATE

- **Chief Operating Officer, Lynda Plante**, provided updates for the month of February.
 - Ms. Plante introduced new employee Ms. Jessie Backoff, and updated the commission on Ms. Renee Carter's promotion.
 - Ms. Plante reported on the three positions still open but are currently being recruited for.
 - There were five employees that attended the CRASE training on January 30, 2024, and two are scheduled to take the course this month.
 - Ms. Plante was excited to report on the new project to add four strobe lights and three panic alarms to Lottery Headquarters. The building project with KOAL PLLC out of Gilford, NH. Continues to be a work in progress. We are continuing to work with the Department of Public Works (DPW), for a new server room, HVAC, generator, and roof. Two onsite visits took place this past month and KOAL is progressing through the planning phase of the project.


7. COMPLIANCE

- **Chief Compliance Officer, John Conforti**, gave a brief report.
 - Mr. Conforti reported on the Games of Chance and Historical Horse Racing gaming revenue report. The report differed this month per the request of the commissioners to reflect the difference between HHR and GOC. This differentiation gives a better understanding of GOC and HHR totals. The report showed a detailed view of the 4-year comparison of GOC State revenue for each game room. The report also showed a 2-year comparison for HHR State revenue.

8. NEXT MEETING

- Thursday, March 21, 2024, at 10:00 a.m., located at Lottery Headquarters, 14 Integra Drive, Concord, NH, 03301.

Chairman Douglas entertained a motion to adjourn at 11:14 a.m. Commissioner Pierce moved and seconded by Commissioner Crews. All are in favor.



Debra Douglas, Chairman



Andy Crews, Commissioner



Erle Pierce, Commissioner

Respectfully submitted, *Kelly Crockett*